Office-Supreme Court, U.
FILED
JUN 8 1951
CHARLES ELMORE CROPL
CLE

IN THE

Supreme Court of the United States

October Term, 1950

No. 108

BLANCHE M. KENYON, individually and as Executrix under the Last Will and Testament of Bertram C. Kenyon, deceased,

Petitioner,

vs.

AUTOMATIC INSTRUMENT COMPANY,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

EUGENE C. KNOBLOCK,
Counsel for Petitioner.

MILTON A. JOHNSON,
Of Counsel.

SUBJECT INDEX

Page

Petition for Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit 1

Opinions Below 2

Jurisdiction 2

The Question Presented 2

Statutes Involved 2

Summary Statement of the Matter Involved 2

Specification of Errors to be Urged 6

Reasons for Granting the Writ 6

Conclusion 9

Appendix 10

TABLE OF AUTHORITIES CITED

CASES

Page

The Collis Co. vs. Consolidated Machine Tool Corporation of America, 41 F. (2d) 641 (C.C.A. 8) .. 7

Jones vs. VanKirk, Fed. Cas. No. 7500 (C.C.Pa.) 7

Kant-Shore Piston Co. vs. Sinclair Mfg. Corporation, 32 F. (2d) 882 (C.A.A. 6) 7

Blanche M. Kenyon vs. Automatic Instrument Co., 160 F. (2d) 878 (C.C.A. 6) 2

Harley C. Loney Co. vs. Perfect Equipment Co., 178 F. (2d) 165 (C.C.A. 7) 7

Sproull vs. Pratt & Whitney Co., 97 Fed. 807 (D.C.S.D.N.Y.) 7

Wilcolator Co. vs. Robert Shaw Thermostat Co., 26 F. Supp. 255 (D.C.W.D.Pa.) 7

STATUTES

35 U.S.C. 49 ..... 8 - 10

35 U.S.C. 50 ..... 8 - 10

Sec. 27.914 Michigan Statutes Annotated ..... 6 - 11

IN THE

Supreme Court of the United States

October Term, 1950

No. .....

BLANCHE M. KENYON, individually and as Executrix under the Last Will and Testament of Bertram C. Kenyon, deceased,

Petitioner,

vs.

AUTOMATIC INSTRUMENT COMPANY,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

To the Honorable, the Chief Justice and Associate Justices of the Supreme Court of the United States:

Your petitioner, Blanche M. Kenyon, individually and as Executrix under the Last Will and Testament of Bertram C. Kenyon, deceased, prays that a writ of certiorari issue to the United States Court of Appeals for the Sixth Circuit to review the judgment of that Court filed February 9, 1951.

A certified transcript of the record in the case, including the proceedings in the Court of Appeals, is furnished herewith in compliance with Rule 38 of the Rules of this Court.

OPINIONS BELOW

The opinion of the District Court (R. 355-370) is reported in 89 F. Supp. 602. The opinion of the Court of Appeals (R. 478-483) is reported in 186 F. 2d 752.

JURISDICTION

The judgment of the Court of Appeals was entered on February 9, 1951 (R. 478). A petition for a rehearing was denied on March 21, 1951 (R. 493). The jurisdiction of this Court is invoked under 28 U.S.C., Section 1254 (1).

THE QUESTION PRESENTED

May a manufacturer apply to his product a notice stating that the product is manufactured under "one or more" of the patents enumerated thereon, and at the same time, when sued for royalties due on one of the patents so enumerated, contend that the notice is vague and meaningless and that the product is not manufactured under the patent?

STATUTES INVOLVED

The pertinent statutory provisions are printed in the Appendix, infra, pp. 10-13.

SUMMARY STATEMENT OF THE MATTER INVOLVED

This is a civil action brought by Petitioner to recover royalties due under a contract for the use of an invention.

On December 7, 1925, a contract (Plaintiff's Exhibit 4, quoted in the opinion of the trial court, R. 355, 358) was made by Bertram C. Kenyon and Automatic Musical Instrument Company pertaining to a multiple disc phonograph which Kenyon had invented. The Com-

pany agreed to pay a royalty to Kenyon, and Kenyon agreed to file an application for a patent for the invention and to assign it to the Company. The Company retained attorneys to prepare the patent application (Stipulation, R. 51, 53, paragraph 7). Kenyon assigned (Plaintiff's Exhibit 5, R. 56) to the Company his interest in Patent No. 1,879,693 (Plaintiff's Exhibit 5, R. 443) which issued upon that application. The Company made the phonographs and paid royalties until 1930 (Stipulation R. 51, 52, paragraph 5).

The Respondent later purchased the assets of the Automatic Musical Instrument Company, including the Kenyon patent. The Court of Appeals, in a previous appeal (160 F. 2d 878), held that Respondent is bound by the contract.

The Kenyon patent is concerned with a phonograph for playing disc records. It has a record changer adapted for automatic operation to select and play any desired record of a group of records. Deposit of a coin places the phonograph in condition for operation, and the operations of selecting a record, playing that record and then returning the record for storage are performed automatically in proper sequence each time the machine is started.

The Kenyon phonograph has a rack which holds a number of disc records in vertical position adjacent to a horizontal turntable. A record transfer mechanism in the device has jaws for gripping a record. Means are provided to cause relative movement between the transfer means and the rack to select the record to be played. When the record has been selected, the jaws are projected to grip the record and then are swung to deposit the record on the turntable. The jaws rotate as they swing, so that they turn the

record from a vertical to a horizontal position. The Kenyon patent illustrates a mechanism in which the record rack is stationary and the transfer means moves, and in which the jaws grip the opposite sides of the marginal edge of the record.

Respondent manufactured a multiple disc phonograph identified as Model ARC (Defendant's Exhibit A, R. 88) in the period from October 18, 1935, through May 31, 1946 (Stipulation, R. 51, 52, paragraph 1). Respondent manufactured a multiple disc phonograph identified as Model 500 (Defendant's Exhibit B, R. 88) commencing June 1, 1946 (Stipulation, R. 51, 52, paragraph 2). No royalties were paid by Respondent upon either of these phonographs, and this action was instituted to collect royalties upon phonographs of both types.

The Respondent's Model ARC and Model 500 phonographs play disc records and have coin controlled record changers which select a record, play it and return it to storage automatically each time the machine is started. Each has a rack to hold a number of records in vertical position adjacent to a horizontal turntable; a record transfer mechanism with jaws to grip a record; means to cause relative movement between the transfer means and the rack to select a record; means for projecting the jaws to grip the record selected and for swinging the jaws to deposit the record on the turntable; and means for rotating the jaws to turn the record from a vertical position to a horizontal position. In each model of Respondent's phonographs, the record rack moves relative to the transfer means to select a record, and the jaws grip the record at the peripheral boundary (R. 227).

Respondent's Model ARC devices which were manufactured from October 19, 1935 through May 31,

1946, all carried a patent notice (Plaintiff's Exhibit 23, R. 76; Plaintiff's Exhibit 24, R. 74). Each notice stated

> "This device is manufactured under one or more of the following patents,"

and each notice enumerated the Kenyon patent No. 1,879,693 and other patents. The use of such notices continued after this action was filed. (R. 74)

Respondent retained ownership of the Kenyon patent No. 1,879,693, and did not reject or disclaim the contract in suit, until June 15, 1948. (R. 425)

The trial court stated in its opinion that the claims of the Kenyon patent must be narrowly construed and limited in scope to the particular principle and mechanism described (R. 355, 362); that the ARC and 500 models are not within the scope of the claims of the Kenyon patent when so construed (R. 367); and that the Respondent's use of the patent notice does not impose liability on the Respondent for royalties (R. 368). A judgment denying recovery was entered (R. 381).

The Court of Appeals affirmed the judgment (R. 478). In its opinion, the Court of Appeals mentioned the patent notice, stating (R. 482)

> "This notice, required under Sec. 49, 35 U.S.C. is vague."

and concluded (R. 483)

> "We think, as found by the District Court, the Kenyon contract did not cover the ARC and 500 models, and the inclusion of the patent number in a somewhat meaningless patent notice does not change the situation."

The Court of Appeals denied a petition for rehearing (R. 493).

SPECIFICATION OF ERRORS TO BE URGED

The errors which Petitioner will urge if the writ of certiorari is allowed, are that the Court of Appeals for the Sixth Circuit erred:

1. In holding that Respondent's patent notice is vague and meaningless.

2. In failing to hold that Respondent's use of the patent notice is a representation to the public that the product bearing the notice is manufactured under the Kenyon patent, and that Respondent is bound thereby.

3. In holding that the contract did not cover the Respondent's ARC and 500 model phonographs.

4. In holding that the Respondent's ARC and 500 model phonographs are not within the scope and claims of the Kenyon patent.

5. In refusing to correct the printed record.

6. In disregarding Sec. 27.914 of Michigan Statutes Annotated.

REASONS FOR GRANTING THE WRIT

1. The Court of Appeals for the Sixth Circuit, in permitting Respondent, authorized to use a patented invention upon payment of a royalty, and who has applied to his product a patent notice enumerating the patent for that invention, when sued to collect the royalty, to contend that the notice is vague and meaningless and thus avoid liability for the royalty, has rendered a decision in conflict with the decision of the Court of Appeals of the Seventh Circuit in Harley

C. Loney Co. vs. Perfect Equipment Co., 178 F. (2d) 165, 169, and in conflict with decisions of other federal courts on the same matter.

In Loney vs. Perfect, the patent had been held invalid, but the licensee had continued to apply a patent notice, and the Court held the licensee liable for royalties, saying:

> "The fact that it still places upon its manufactured product the number of the Hume patent is a representation to the public that the patent is claimed to be valid and that the product marked is authorized to be manufactured and sold under the patent."

The Court of Appeals for the Sixth Circuit has previously applied the same rule. Thus in Kant-Skore Piston Co. vs. Sinclair Mfg. Corporation, 32 F. (2d) 882, 885, in speaking of the use of the word "patented" on a notice, it said:

> "Actually, however, defendant secured what it had primarily bargained for, protection in fact from interference by plaintiff and all third parties with the monopoly of its article, and it got this by deliberately purporting to manufacture and sell its pistons under the patent and the contract."

Other decisions, including The Collis Co. vs. Consolidated Machine Tool Corporation of America, 41 F. (2d) 641, 644 (C.C.A. 8); Sproull vs. Pratt & Whitney Co., 97 Fed. 807, 809 (D.C.S.D.N.Y.); Wilcolator Co. vs. Robert Shaw Thermostat Co., 26 F. Supp. 255, 257 (D.C.W.D.Pa.); and Jones vs. VanKirk, Fed. Cas. No. 7500 (C.C.Pa.), all recognize and assert an estoppel preventing a party from denying that a product bearing a patent notice containing the number of a patent is made under that patent.

This Court has not passed upon the issue.

The effect of this decision is to place a premium upon vagueness, and to encourage manufacturers to use in a patent notice any statements creating the impression, but not stating in precise words, that a product is manufactured under a patent.

Heretofore, a manufacturer has been responsible for misstatements in a patent notice. Under 35 U.S.C., Section 50, a manufacturer is liable to a penalty for every offense of specified types of intentional mismarking using the word "patent." The decision of the Court of Appeals in this case is directly in conflict with that statute.

Unless reversed, the decision will stand as a precedent in the Sixth Circuit, encouraging the misuse of patent notices by licensees of patents.

2. Clearly, the question presented is of moment and importance to the public. It affects all patent notices in cases where the patents in the notice are the subject of contracts to pay royalties.

The public and the trades and industries are familiar with patent notices. Such notices appear upon manufactured articles of all kinds and descriptions. The use of a patent notice, no matter how worded, is accepted as a matter of course by the public as being a representation that the patents enumerated in the notice cover the product marked, and that the notice is applied under the statutes, and particularly under 35 U.S.C., Section 49.

The decision of the Court of Appeals will produce uncertainty in business. Business people have relied upon the patent notices applied to the products of their competitors as accurate statements of the positions

of those competitors concerning the application of the patents enumerated in the notices to the products bearing the notices. Under the decision of the Court of Appeals in this case, no such reliance can be had in a case which may come before a Court in the Sixth Circuit. Rather, competitors and licensors of patents must search for possible bases for claims of vagueness in the wording of a patent notice, and consider the possibility that any notice may be contended by the one who uses it to be meaningless, even while use of the notice is continued.

The public and business men are entitled to settlement of the issue of whether or not use of a patent notice is binding on the user for all representations that the notice purports to assert.

CONCLUSION

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

EUGENE C. KNOBLOCK,
Counsel for Petitioner.

MILTON A. JOHNSON,
Of Counsel.

South Bend, Indiana,
June 6, 1951.

APPENDIX

35 U.S.C., Sec. 49: It shall be the duty of all patentees and their assigns and legal representatives, and of all persons making or vending any patented article for or under them, to give sufficient notice to the public that the same is patented; either by fixing thereon the word "patent," together with the number of the patent, or when, from the character of the article, this can not be done, by fixing to it, or to the package wherein one or more of them is inclosed, a label containing the like notice: Provided, however, That with respect to any patent issued prior to April 1, 1927, it shall be sufficient to give such notice in the form following, viz.: "Patented," together with the day and year the patent was granted; and in any suit for infringement by the party failing so to mark, no damages shall be recovered by the plaintiff, except on proof that the defendant was duly notified of the infringement and continued, after such notice, to make, use, or vend the article so patented.

35 U.S.C., Sec. 50: Every person who, in any manner, marks upon anything made, used, or sold by him for which he has not obtained a patent, the name or any imitation of the name of any person who has obtained a patent therefor without the consent of such patentee, or his assigns, or legal representatives; or

Who, in any manner, marks upon or affixes to any such patented article the word "patent" or "patentee," or the words "letters patent," or any word of like import, with intent to imitate or counterfeit the mark or device of the patentee, without having the license or consent of such patentee or his assigns or legal representatives; or

Who, in any manner, marks upon or affixes to any unpatented article the word "patent," or any word importing that the same is patented, for the purpose of deceiving the public, shall be liable, for every such offense, to a penalty of not less than $100, with costs; one-half of said penalty to the person who shall sue for the same, and the other to the use of the United States, to be recovered by suit in any district court of the United States within whose jurisdiction such offense may have been committed.

Sec. 27.914, Michigan Statutes Annotated: Testimony of opposite party on matters equally within knowledge of deceased or insane person; depositions taken during lifetime or competency. Sec. 65. When a suit or proceeding is prosecuted or defended by the heirs, assigns, devisees, legatees, or personal representatives of a deceased person, the opposite party, if examined as a witness in his own behalf, shall not be admitted to testify at all to matters which, if true, must have been equally within the knowledge of such deceased person; and when any suit or proceeding is prosecuted or defended by any surviving partner or partners, the opposite party, if examined as a witness in his own behalf, shall not be admitted to testify at all in relation to matters which, if true, must have been equally within the knowledge of the deceased partner, and not within the knowledge of any one of the surviving partners. No person who shall have acted as an agent in the making or continuing of a contract with any person who may have died, shall be a competent witness in any suit involving such

contract, as to matters occurring prior to the death of such decedent, on behalf of the principal to such contract against the legal representatives or heirs of such decedent, unless he shall be called by such heirs or legal representatives. And when any suit or proceeding is prosecuted or defended by any corporation, the opposite party, if examined as a witness in his own behalf, shall not be admitted to testify at all in relation to matters which, if true, must have been equally within the knowledge of a deceased officer or agent of the corporation, and not within the knowledge of any surviving officer or agent of the corporation, nor when any suit or proceeding is prosecuted or defended by the heirs, assigns, devisees, legatees, or personal representatives of a deceased person against a corporation (or its assigns) shall any person who is or has been an officer or agent of any such corporation be allowed to testify at all in relation to matters which, if true, must have been equally within the knowledge of such deceased person: Provided, That whenever the words "the opposite party" occur in this section it shall be deemed to include the assignors or assignees of the claim or any part thereof in controversy: Provided further, That when the testimony of any person would be barred in case of any of the persons hereinbefore mentioned, it shall also be barred if such person shall have been adjudged to be and still is at the time of trial insane or mentally incompetent, as to all matters which, if true, must have been equally within his knowledge at a time when he was sane and mentally competent: And Provided further, That whenever the deposition, affidavit or testimony of such party be taken in his lifetime or when mentally sound shall be read in evidence in such suit or proceeding, the affidavit or testimony of the other party shall be admitted in his own behalf on all matters

mentioned or covered in such deposition, affidavit or testimony: And Provided further, That when the testimony or deposition of any witness has once been taken or used (or shall have heretofore been taken and used) upon the trial of any cause, and the same was, when so taken and used, competent and admissible under this section, the subsequent death or incompetency of such witness or of any other person shall not render such testimony incompetent under this section, but such testimony shall be received upon any subsequent trial of such cause.

FILED
JUL 14 195
OFFICE OF THE CLE
SUPREME COURT, U

IN THE

Supreme Court of the United States

OCTOBER TERM, 1950.

No. 108

BLANCHE M. KENYON, INDIVIDUALLY AND AS EXECUTRIX UNDER THE LAST WILL AND TESTAMENT OF BERTRAM C. KENYON, DECEASED,

Petitioner,

vs.

AUTOMATIC INSTRUMENT COMPANY,

Respondent.

RESPONDENT'S BRIEF URGING THAT CERTIORARI BE DENIED.

CLARENCE J. LOFTUS,
WILLIAM E. LUCAS,
135 South LaSalle Street,
Chicago, Illinois,
Counsel for Respondent.

THE GUNTHORP-WARREN PRINTING COMPANY, 310 WEST JACKSON, CHICAGO

INDEX.

	PAGE
Counter-Statement of the Matters Involved	1
The Question	4
Reasons Urged for Denying Certiorari	5
Conclusion	7

Table of Cases.

Kant-Skore Piston Co. v. Sinclair Mfg. Corp., 32 F. (2d) 882 (C. A. 6)	5
Harley C. Loney Co. v. Perfect Equipment Co., 178 F. (2d) 165 (C. A. 7)	5

swinging and turning the clamps to deliver the selected record to and from the turntable. The swinging selector arm supports the jaws. The changer is *itself* selective.

It is stipulated (R. 52):

> "That the issue herein concerns only the record changer that is the mechanism for transferring records from a bank of records onto the turntable for playing and then returning them from the turntable to the bank after playing, to which the claims of the Kenyon, Boa and Green Patent No. 1,879,693 relate."

Respondent's predecessor, through its skilled engineers, did everything that could be done to make the Kenyon, *et al.* changer operate commercially, but without success. The difficulties encountered were insurmountable (R. 80, 81, 161-164, 176-178, 271-274, 292-296, 311-313, 318), and respondent's predecessor, therefore, *was compelled to abandon and discard that type* of changer as being fundamentally wrong in principle, function, mode of operation and mechanism (R. 175). Respondent never made, in a single instance, that type changer, but invented, designed and developed a fundamentally different changer, known as the ARC. Petitioner stipulated (R. 52) that:

> "This (ARC) record changer, its construction and operation, is illustrated and described in the Green Patent No. 2,104,032, filed February 20, 1934, and issued January 4, 1938."

The ARC was the only one made by respondent until May, 1946.

Later, respondent made and sold its Model 500, which is substantially the same changer, so far as transferring records to and from the turntable is concerned. Petitioner stipulated (R. 52) that:

> "This (500) record changer, its construction and operation, is shown and described in the drawings and specifications of the Vanderzee patent application."

The license which respondent acquired when it took over the assets of the previous Delaware corporation only required the payment of royalty on each of *certain changers*. The licensee was never required to pay a royalty on all changers.

The District Court, after a full trial and briefs, found from the evidence, and held, 89 F. Supp. 602, at 609, that respondent's Models ARC and 500 employed *fundamentally and substantially different means and modes of operation,* and, therefore, did not come under the license, and were not within the claims of the Kenyon patent. The Court of Appeals for the Sixth Circuit, after full argument and briefs, affirmed the District Court, 186 F. (2d) 752. The District Court said, 89 F. Supp. 609:

> "The plaintiff contends that defendant is liable for royalties under the December 7, 1925, contract, because it placed a patent notice on its ARC models stating: 'This device is manufactured under one or more of the following patents,' listing 14 patents, including Kenyon. This notice did not necessarily indicate that the device was manufactured under the Kenyon patent. As a matter of fact, the parties stipulated in writing that the construction and operation of the record-changing mechanism in defendant's ARC model was illustrated and described in Green patent 2,104,032. In view of its decision that the record-changing mechanisms employed in defendant's accused machines are not within the claims of the Kenyon patent, the court concludes that the above patent notice does not impose liability on defendant for royalties on its ARC model."

The petition for certiorari points out no reason why that is not true, or that the respondent's Models ARC and 500 are not substantially and fundamentally different in means and mode of operation. Such findings and holdings should dispose of the case, even though the other points referred to in the petition for certiorari are well founded, *which they are not.*

device on which royalties were sought was either identical or substantially the same as the one manufactured during the period for which royalties were paid. There is no such situation here. Both the District Court and the Appellate Court found and held that respondent's Models ARC and 500 were *fundamentally and substantially different in mechanism and mode of operation.*

4. This case involves (a) no question of public importance; (b) no matter of avoiding conflict on the law; (c) no matter affecting the interest of the nation; (d) no case of importance which is in the public interest to have decided by this Court; (e) no principles, the application of which are of wide public and governmental interest; (f) no doubtful question of law of such wide application that this Court should consider, to remove the doubt; (g) no questions as to dominating an industry, concentrated or otherwise, nor any angles of price fixing or anti-trust.

It involves only the question of personal interest in a straight patent license suit, where the District Court and the Court of Appeals, by following the decisions of this and other courts, held that a successor to a licensee was not required to pay royalty where the respondent's predecessor was compelled, because of its complete failure commercially, to abandon and discard the mechanism of the patent, and which it was unable to make operate successfully commercially after many unsuccessful attempts by skilled engineers, and tools, dies and jigs therefor had to be scrapped, and where the only mechanism made by the respondent was substantially and fundamentally different in mechanism and mode of operation from the thing shown, described and claimed in the licensed patent.

5. The petition for certiorari is without foundation, justification or cause, and obviously falls in that class of petitions for certiorari which are characterized as having been filed for delay.

6. There is no conflict of decisions of courts of co-ordinate jurisdiction, and no occasion for this Court's passing on the questions involved in the cases cited on page 7 of the petition because the questions there are in no manner, shape or form involved in the present case.

CONCLUSION.

For the foregoing reasons, petition for writ of certiorari should be denied.

Respectfully submitted,

CLARENCE J. LOFTUS,
WILLIAM E. LUCAS,
135 South LaSalle Street,
Chicago, Illinois,
Counsel for Respondent.

15

Office-Supreme Cou
FILE
JUL 24 1
CHARLES ELMORE

IN THE

Supreme Court of the United States

October Term, 1951

No. 108

BLANCHE M. KENYON, individually and as Executrix under the Last Will and Testament of Bertram C. Kenyon, Deceased,

Petitioner,

vs.

AUTOMATIC INSTRUMENT COMPANY,

Respondent.

PETITIONER'S REPLY BRIEF IN SUPPORT OF PETITION

EUGENE C. KNOBLOCK
711 J. M. S. Building,
South Bend, Indiana,
Attorney for Petitioner.

LOUIS M. HAMMERSCHMIDT
MILTON A. JOHNSON
718 J. M. S. Building,
South Bend, Indiana,
Of Counsel.

INDEX

	Page
Reply to Respondent's Brief	2
Conclusion	5

TABLE OF CASES

	Page
Kant-Skore Piston Co. vs. Sinclair Mfg. Corp., 32 Fed. (2) 882 (CCA 6)	4
Blanche M. Kenyon vs. Automatic Instrument Co., 160 Fed. (2) 878 (CCA 6)	3
Harley C. Loney vs. Perfect Equipment Co., 178 Fed. (2) 165 (CCA 7)	4

IN THE

Supreme Court of the United States

October Term, 1951

No. 108

BLANCHE M. KENYON, individually and as Executrix under the Last Will and Testament of Bertram C. Kenyon, Deceased,

Petitioner,

vs.

AUTOMATIC INSTRUMENT COMPANY,

Respondent.

PETITIONER'S REPLY BRIEF IN SUPPORT OF PETITION

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Petitioner insists that the facts as stated in the petition for certiorari, and the question as framed therein, are proper.

This reply brief is necessary because

(a) The respondent claims that petitioner has misinformed this Court in its petition; and

(b) Respondent is attempting to divert the attention of the Court from the question raised by the petition.

Reply to Respondent's Brief

1. Respondent, in its brief, seeks to argue the merits of the case. The merits of the case can be fully argued when certiorari has been granted. We submit that respondent has not even attempted to answer the "Reasons for Granting the Writ" in the petition.

Respondent only states that petitioner has misinformed this Court. In the opinion of the Court of Appeals of the Sixth Circuit (R. 482-583) the Court states that the patent notice in question is "vague", and "somewhat meaningless", and attempts to distinguish the pertinent earlier cases relating to patent notices. We submit that the fact that the notice was used while respondent held title to the patent absolutely establishes liability under the law.

The lower Courts elected to overlook the following controlling considerations:

(a) Respondent admitted that it applied the patent notice enumerating the Kenyon patent on all machines manufactured through May 30, 1946 (R. 74), so that the respondent continued to apply the notice after petitioner's formal demand for accounting of royalties was served on respondent in 1941 (Plaintiff's Ex. 25, R. 87), and for several years after this litigation had been started.

(b) Respondent retained ownership of the Kenyon patent No. 1,879,693 until June 15, 1948 (R. 425).

(c) Respondent's predecessor was making player pianos prior to the time that Mr. Kenyon brought this invention to it (R. 91 and 145). The Kenyon invention put respondent's predecessor in the business of manufacturing a phonograph having an automatic record changer.

(d) Respondent assumed the obligations of its predecessor under the Kenyon contract in suit (160 Fed. (2) 878).

Throughout this litigation respondent has been in the anomalous position of **representing** and **admitting** to the general public, **by the use of the patent notice listing the Kenyon patent,** that the machines bearing the notice embody the Kenyon patent of the contract, while at the same time denying to petitioner the payments specified in the Kenyon contract.

2. The decisions cited in the petition, page 7, unequivocally establish the fact that the use of a patent notice upon a product is an admission, binding upon the maker, that the product so marked falls within the scope and purview of the patent and embodies the patented invention. The decision appealed from is the first case in which a contrary ruling on this issue has ever been made, as far as petitioner can ascertain and, apparently, as far as the Courts below and the respondent could ascertain. Each of the cases cited arose under its own state of facts, but the principle that the use of a patent notice is an

admission binding upon the user of the notice is unequivocally stated in each decision.

The **Loney** case does not describe the device there in issue except to say that it was a device of a certain type, and no mention is made whether any change in construction of the device occurred during the term of the license.

In the **Kant-Skore** piston case the licensee claimed defectiveness of the construction shown in the patent, changed that construction, secured a patent upon the changed construction, used a patent notice upon the changed article interpreted by the Court to refer to the licensed patent, paid royalties for a short time on the changed construction, and thereafter attempted to defeat the claim for further royalties on various grounds, including the defense that the changed construction did not embody the patented invention. Hence the **Kant-Skore** case is strikingly **parallel** to the instant case, and attention is called to the fact that the patent notice involved there did not clearly enumerate the licensed patent, but the Court interpreted it as necessarily referring to that patent.

Petitioner submits that the decision appealed from for the first time departs from the previously well established principle that the use of a patent notice is an admission of use of a patent identified by the notice, and that none of the previous decisions can be distinguished from the case at bar as to the question presented by this petition. The decision below creates a sharp divergence between the various Courts of Appeals and with respect to the previous decisions of the Court of Appeals for the Sixth Circuit in the **Kant-Score** case.

Conclusion

Petitioner urges, for the foregoing reasons and for those contained in the petition for writ of certiorari, that said writ be granted.

Respectfully submitted,

EUGENE C. KNOBLOCK
711-713 J.M.S. Bldg.
South Bend 1, Indiana
Attorney for Petitioner.

LOUIS M. HAMMERSCHMIDT
MILTON A. JOHNSON
718 J.M.S. Bldg.
South Bend 1, Indiana
Of Counsel.